Power shortfalls expected

By Tina Seeley Bloomberg News
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U.S. electricity demand will increase three times faster than supplies during the next decade, threatening reliable operation of the nation's power grid, according to an industry report.
Demand for power will increase 19 percent, or 141,000 megawatts, while supplies are only expected to increase 6 percent, or 57,000 megawatts, leaving a shortfall of 84,000 megawatts, the report from the North American Electric Reliability Council said. A megawatt is enough power for about 800 typical U.S. homes, according to the U.S. Energy Department.
For PacifiCorp, which serves Utah and five other states, another 1,775 to 2,743 megawatts of electricity will be needed by 2014, with Utah driving much of the new demand, according to company spokesman Dave Eskelsen.
In 2005, PacifiCorp started operating its Currant Creek power plant, located in Mona, Juab County, the first significant power plant to be built in Utah since 1983. PacifiCorp's Lake Side power plant is currently under construction on 62 acres at the site of the defunct Geneva Steel in Vineyard.
"We're trying to get more out of the system than it's capable of providing in the long term," Rick Sergel, president of the Electric Reliability Council, said at a press conference Monday.
Regions whose power reserves are expected to fall below minimum recommended levels in the next two to three years are Texas, the upper Midwest, New England, the Mid-Atlantic and Rocky Mountain areas. Other parts of the country face the same prospect within 10 years, the report said.
Those declining reserve measurements do not count plants that have been mothballed because of falling power prices or because they have not been able to get transmission access to sell generation where it's needed, said Dave Nevius, vice president of the council. The report estimates there are about 50,000 megawatts of generation in that predicament.
"As customer demand increases and transmission systems experience increased power transfers, portions of these systems will be operated at or near their reliability limits more of the time," the report said. "Under these conditions, coincident unavailability of generating units, transmission lines or transformers, while improbable, can degrade bulk power system reliability."
The council, based in Princeton, N.J., was founded in 1968 by the power industry as a self-regulatory group after a 1965 blackout cut power to 30 million people in the Northeast. Federal regulators earlier this year named the nonprofit organization as the developer and enforcer of now mandatory reliability rules for power line owners and operators.
The council based its report on data supplied by its members, including utilities and government-owned power buyers and sellers.
The council's "report confirms what we've been saying for some time, that the nation needs more power resources sooner rather than later, and that it's the case across all regulatory systems," John Shelk, president of the Electric Power Supply Association, said in a statement.
Along with a shortfall in new power plants, the report finds a lack of adequate power line construction. The amount of new transmission lines will increase by 6.1 percent, adding about 12,873 miles of wire to the nation's grid.
"Expansion and strengthening of the transmission system continues to lag demand growth and expansion of generating resources in most areas," said the report.

"The lack of adequate transmission emergency transfer capability or transmission service agreements could limit the ability to deliver available resources from areas of surplus to areas of need."

Sergel said that in both transmission and generation there has not been enough long-term planning to accommodate rising needs.

"In both cases, we have become more short term in our thinking, and I believe that we have to extend that," he said. Contributing: Dave Anderton